

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

| | | |
|-----------------------------------|---|------------------------|
| In re: |) | Chapter 11 |
| |) | |
| W.R. GRACE & CO., <u>et al.</u> , |) | Case No. 01-1139 (JKF) |
| |) | Jointly Administered |
| Debtors. |) | |

Objection Deadline: March 4, 2005
Hearing Date: March 21, 2005 at 12:00 p.m.

**NOTICE OF DEBTORS' MOTION FOR AN ORDER AUTHORIZING THE
DEBTORS TO ENTER INTO A SETTLEMENT AGREEMENT WITH THE
INTERNAL REVENUE SERVICE WITH RESPECT TO CERTAIN
TAX CLAIMS ARISING IN THE DEBTORS' 1993-1996 TAXABLE YEARS
AND DIRECTING THE DEBTORS TO PAY: (1) ALL INDEMNIFIED TAXES DUE
PURSUANT TO SUCH AGREEMENT AND (2) ALL STATE INDEMNIFIED TAXES
DUE FOR THE DEBTORS' 1990-1992 TAXABLE YEARS**

TO: All parties required to receive notice pursuant to Del. L.R. 2002-1.

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors") filed the *Debtors' Motion for an Order Authorizing the Debtors to Enter Into a Settlement Agreement With the Internal Revenue Service With Respect to Certain Tax Claims Arising In the Debtors' 1993-1996 Taxable Years and Directing the Debtors to Pay: (1) All Indemnified Taxes Due Pursuant to Such Agreement and (2) All State Indemnified Taxes Due for the Debtors' 1990-1992 Taxable Years* (the "Motion") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 (the "Bankruptcy Court").

Objections and other responses to the relief requested in the Motion, if any, must be in writing and filed with the Bankruptcy Court no later than **4:00 p.m. prevailing Eastern Time on March 4, 2005.**

At the same time, you must also serve a copy of the objection or response, if any, upon the following: (i) co-counsel for the Debtors, Janet S. Baer, Kirkland & Ellis LLP, 200 East Randolph Drive, Chicago, IL 60601 (fax 312-861-2200), and David W. Carickhoff, Jr., Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax 302-652-4400); (ii) counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Stroock & Stroock & Lavan, 180 Maiden Lane, New York, NY 10038-4982 (fax 212-806-6006), and Michael R. Lastowski, Duane, Morris & Heckscher, LLP, 1100 N. Market Street, Suite 1200, Wilmington, DE 19801-1246 (fax 302-657-4901); (iii) counsel to the Official Committee of Property Damage Claimants, Scott L. Baena, Bilzin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, FL 33131 (fax 305-374-7593), and Michael B. Joseph, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, DE 19899 (fax 302-575-1714); (iv) counsel to the Official Committee of Personal Injury Claimants, Elihu Inselbuch, Caplin & Drysdale, 399 Park Avenue, 36th Floor, New York, NY 10022 (fax 212-644-6755), and Marla Eskin, Campbell & Levine, LLC, 800 N. King Street, Suite 300, Wilmington, DE 19801 (fax 302-426-9947); (v) counsel to the Official Committee of Equity Holders, Thomas M. Mayer, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, NY 10022 (fax 212-715-8000), and Teresa K.D. Currier, Klett Rooney Lieber & Schorling, 1000 West Street, Suite 1410, P.O. Box 1397, Wilmington, DE 19899-1397 (fax 302-552-4220); (vi) counsel to the Future Claimants' Representative, Richard H. Wyron, Swidler Berlin Shereff Friedman, LLP, 3000 K Street, NW, Suite 300, Washington, DC 20007 (fax 202-424-7643), and John C. Phillips, Jr., Phillips, Goldman & Spence, P.A., 1200 North Broom

Street, Wilmington, DE 19806 (fax 302-655-4210); and (vii) the Office of the United States Trustee, Attn: Frank J. Perch, 844 N. King Street, Wilmington, DE 19801 (fax 302-573-6497).

IF NO OBJECTIONS ARE TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

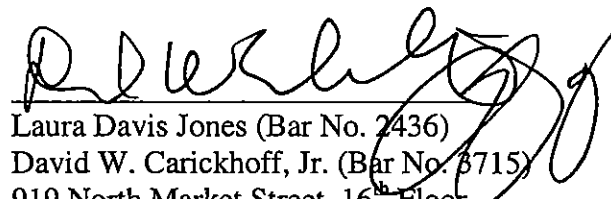
IN THE EVENT THAT ANY OBJECTION OR RESPONSE IS FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, A HEARING ON THE MOTION WILL BE HELD BEFORE THE HONORABLE JUDITH K. FITZGERALD AT THE BANKRUPTCY COURT ON **MARCH 21, 2005 AT 12:00 P.M. EASTERN TIME.**

Dated: February 14, 2005

KIRKLAND & ELLIS LLP
James H.M. Sprayregen, P.C.
Janet S. Baer
James W. Kapp III
Samuel L. Blatnick
200 East Randolph Drive
Chicago, IL 60601
Telephone: (312) 861-2000

and

PACHULSKI, STANG, ZIEHL, YOUNG, JONES &
WEINTRAUB P.C.



Laura Davis Jones (Bar No. 2436)
David W. Carickhoff, Jr. (Bar No. 3715)
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Co-Counsel for the Debtors and Debtors in Possession